

By: Thompson of Harris

H.B. No. 5386

A BILL TO BE ENTITLED

1 AN ACT  
2 relating to the creation of the Harris County Municipal Utility  
3 District No. 589; granting a limited power of eminent domain;  
4 providing authority to issue bonds; providing authority to impose  
5 assessments, fees, and taxes.

6 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

7 SECTION 1. Subtitle F, Title 6, Special District Local Laws  
8 Code, is amended by adding Chapter 8005A to read as follows:

9 CHAPTER 8005A. HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 589

10 SUBCHAPTER A. GENERAL PROVISIONS

11 Sec. 8005A.0101. DEFINITIONS. In this chapter:

12 (1) "Board" means the district's board of directors.

13 (2) "Commission" means the Texas Commission on  
14 Environmental Quality.

15 (3) "Director" means a board member.

16 (4) "District" means the Harris County Municipal  
17 Utility District No. 589.

18 Sec. 8005A.0102. NATURE OF DISTRICT. The district is a  
19 municipal utility district created under Section 59, Article XVI,  
20 Texas Constitution.

21 Sec. 8005A.0103. CONFIRMATION AND DIRECTOR ELECTION  
22 REQUIRED. The temporary directors shall hold an election to  
23 confirm the creation of the district and to elect five permanent  
24 directors as provided by Section 49.102, Water Code.

1       Sec. 8005A.0104. CONSENT OF MUNICIPALITY REQUIRED. The  
2 temporary directors may not hold an election under Section  
3 8005A.0103 until each municipality in whose corporate limits or  
4 extraterritorial jurisdiction the district is located has  
5 consented by ordinance or resolution to the creation of the  
6 district and to the inclusion of land in the district as required by  
7 applicable law.

8       Sec. 8005A.0105. FINDINGS OF PUBLIC PURPOSE AND BENEFIT.

9       (a) The district is created to serve a public purpose and benefit.

10       (b) The district is created to accomplish the purposes of:

11               (1) a municipal utility district as provided by  
12 general law and Section 59, Article XVI, Texas Constitution; and

13               (2) Section 52, Article III, Texas Constitution, that  
14 relate to the construction, acquisition, improvement, operation,  
15 or maintenance of macadamized, graveled, or paved roads, or  
16 improvements, including storm drainage, in aid of those roads.

17       Sec. 8005A.0106. INITIAL DISTRICT TERRITORY. (a) The  
18 district is initially composed of the territory described by  
19 Section 2 of the Act enacting this chapter.

20       (b) The boundaries and field notes contained in Section 2 of  
21 the Act enacting this chapter form a closure. A mistake made in the  
22 field notes or in copying the field notes in the legislative process  
23 does not affect the district's:

24               (1) organization, existence, or validity;

25               (2) right to issue any type of bond for the purposes  
26 for which the district is created or to pay the principal of and  
27 interest on a bond;

1           (3) right to impose a tax; or

2           (4) legality or operation.

3                   SUBCHAPTER B. BOARD OF DIRECTORS

4           Sec. 8005A.0201. GOVERNING BODY; TERMS. (a) The district  
5 is governed by a board of five elected directors.

6           (b) Except as provided by Section 8005A.0202, directors  
7 serve staggered four-year terms.

8           Sec. 8005A.0202. TEMPORARY DIRECTORS. (a) The temporary  
9 board consists of:

10           (1) Steven Thorin;

11           (2) Ethan Zenzen;

12           (3) Creager Davis;

13           (4) Greg Monette; and

14           (5) Christy Naves Bowen.

15           (b) Temporary directors serve until the earlier of:

16           (1) the date permanent directors are elected under  
17 Section 8005A.0103; or

18           (2) the fourth anniversary of the effective date of  
19 the Act enacting this chapter.

20           (c) If permanent directors have not been elected under  
21 Section 8005A.0103 and the terms of the temporary directors have  
22 expired, successor temporary directors shall be appointed or  
23 reappointed as provided by Subsection (d) to serve terms that  
24 expire on the earlier of:

25           (1) the date permanent directors are elected under  
26 Section 8005A.0103; or

27           (2) the fourth anniversary of the date of the

1 appointment or reappointment.

2 (d) If Subsection (c) applies, the owner or owners of a  
3 majority of the assessed value of the real property in the district  
4 may submit a petition to the commission requesting that the  
5 commission appoint as successor temporary directors the five  
6 persons named in the petition. The commission shall appoint as  
7 successor temporary directors the five persons named in the  
8 petition.

9 SUBCHAPTER C. POWERS AND DUTIES

10 Sec. 8005A.0301. GENERAL POWERS AND DUTIES. The district  
11 has the powers and duties necessary to accomplish the purposes for  
12 which the district is created.

13 Sec. 8005A.0302. MUNICIPAL UTILITY DISTRICT POWERS AND  
14 DUTIES. The district has the powers and duties provided by the  
15 general law of this state, including Chapters 49 and 54, Water Code,  
16 applicable to municipal utility districts created under Section 59,  
17 Article XVI, Texas Constitution.

18 Sec. 8005A.0303. AUTHORITY FOR ROAD PROJECTS. Under  
19 Section 52, Article III, Texas Constitution, the district may  
20 design, acquire, construct, finance, issue bonds for, improve,  
21 operate, maintain, and convey to this state, a county, or a  
22 municipality for operation and maintenance macadamized, graveled,  
23 or paved roads, or improvements, including storm drainage, in aid  
24 of those roads.

25 Sec. 8005A.0304. ROAD STANDARDS AND REQUIREMENTS. (a) A  
26 road project must meet all applicable construction standards,  
27 zoning and subdivision requirements, and regulations of each

1 municipality in whose corporate limits or extraterritorial  
2 jurisdiction the road project is located.

3 (b) If a road project is not located in the corporate limits  
4 or extraterritorial jurisdiction of a municipality, the road  
5 project must meet all applicable construction standards,  
6 subdivision requirements, and regulations of each county in which  
7 the road project is located.

8 (c) If the state will maintain and operate the road, the  
9 Texas Transportation Commission must approve the plans and  
10 specifications of the road project.

11 Sec. 8005A.0305. COMPLIANCE WITH MUNICIPAL CONSENT  
12 ORDINANCE OR RESOLUTION. The district shall comply with all  
13 applicable requirements of any ordinance or resolution that is  
14 adopted under Section 54.016 or 54.0165, Water Code, and that  
15 consents to the creation of the district or to the inclusion of land  
16 in the district.

17 SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

18 Sec. 8005A.0401. ELECTIONS REGARDING TAXES OR BONDS. (a)  
19 The district may issue, without an election, bonds and other  
20 obligations secured by:

- 21 (1) revenue other than ad valorem taxes; or  
22 (2) contract payments described by Section  
23 8005A.0403.

24 (b) The district must hold an election in the manner  
25 provided by Chapters 49 and 54, Water Code, to obtain voter approval  
26 before the district may impose an ad valorem tax or issue bonds  
27 payable from ad valorem taxes.

1       (c) The district may not issue bonds payable from ad valorem  
2 taxes to finance a road project unless the issuance is approved by a  
3 vote of a two-thirds majority of the district voters voting at an  
4 election held for that purpose.

5       Sec. 8005A.0402. OPERATION AND MAINTENANCE TAX. (a) If  
6 authorized at an election held under Section 8005A.0401, the  
7 district may impose an operation and maintenance tax on taxable  
8 property in the district in accordance with Section 49.107, Water  
9 Code.

10       (b) The board shall determine the tax rate. The rate may not  
11 exceed the rate approved at the election.

12       Sec. 8005A.0403. CONTRACT TAXES. (a) In accordance with  
13 Section 49.108, Water Code, the district may impose a tax other than  
14 an operation and maintenance tax and use the revenue derived from  
15 the tax to make payments under a contract after the provisions of  
16 the contract have been approved by a majority of the district voters  
17 voting at an election held for that purpose.

18       (b) A contract approved by the district voters may contain a  
19 provision stating that the contract may be modified or amended by  
20 the board without further voter approval.

21               SUBCHAPTER E. BONDS AND OTHER OBLIGATIONS

22       Sec. 8005A.0501. AUTHORITY TO ISSUE BONDS AND OTHER  
23 OBLIGATIONS. The district may issue bonds or other obligations  
24 payable wholly or partly from ad valorem taxes, impact fees,  
25 revenue, contract payments, grants, or other district money, or any  
26 combination of those sources, to pay for any authorized district  
27 purpose.

1       Sec. 8005A.0502. TAXES FOR BONDS. At the time the district  
2 issues bonds payable wholly or partly from ad valorem taxes, the  
3 board shall provide for the annual imposition of a continuing  
4 direct ad valorem tax, without limit as to rate or amount, while all  
5 or part of the bonds are outstanding as required and in the manner  
6 provided by Sections 54.601 and 54.602, Water Code.

7       Sec. 8005A.0503. BONDS FOR ROAD PROJECTS. At the time of  
8 issuance, the total principal amount of bonds or other obligations  
9 issued or incurred to finance road projects and payable from ad  
10 valorem taxes may not exceed one-fourth of the assessed value of the  
11 real property in the district.

12       SECTION 2. The Harris County Municipal Utility District  
13 No. 589 initially includes all the territory contained in the  
14 following area:

15       BEING 177.5513 acres of land in the Eli Noland Survey,  
16 Abstract Number 600, City of Houston, Harris County, Texas, being  
17 out of that certain 259 acre tract of land described in deed to Max  
18 Taub and Sam Taub, recorded in Volume 240, Page 227 of the Harris  
19 County Deed Records and being part of that tract described as Tract  
20 4 in the deed to Saltmine Investment Partnership, LTD., recorded in  
21 Harris County Clerk's File Number U711769, and being more  
22 particularly described by metes and bounds as follows:

23       COMMENCING from a 5/8 inch iron rod found in the south line of  
24 Little York Road (width varies) at the northwest corner of a 10.00  
25 acre tract of land described in deed to North Forest Independent  
26 School District and recorded in Volume 4512, Page 38 of the Harris  
27 County Deed Records;

1           THENCE S.02°17'20"E. 1039.16 feet along the west line of said  
2 10.00 acre tract to a 5/8 inch iron rod with "ATKINSON 5897" cap  
3 found in the center line of a 80 foot wide Harris County Flood  
4 Control District drainage easement as described in Volume 3171,  
5 Page 105 of the Harris County Deed Records; marking the PLACE OF  
6 BEGINNING for the herein described tract;

7           THENCE S.56°33'02"E. 432.20 feet along the centerline of said  
8 80 foot wide Harris County Flood Control District drainage easement  
9 to a point being the northwest corner of a tract of land described  
10 in deed to GC Community Development Corporation INC. and recorded  
11 in Harris County Clerk's File Number RP-2020-539585;

12           THENCE S.02°17'20"E. 2556.76 feet along the west line of said  
13 GC Community Development Corporation INC. tract of land, and the  
14 west line of a the Cockburn Tract, an unrecorded subdivision to a 2  
15 inch iron pipe found in the north line of a tract described in deed  
16 to Caddo 67 LLC, and recorded in Harris County Clerk's File Number  
17 RP-2020-286028;

18           THENCE S.87°26'22"W. 3390.12 feet along the north line of said  
19 Caddo 67 LLC, tract and the north line of Melbourne Place, Section  
20 Three Subdivision recorded in Volume 49, Page 37 of the Harris  
21 County Map Records to a 5/8 inch iron rod with "ATKINSON 5897" cap  
22 found at the southeast corner of a 6.8361 acre tract of land  
23 described in Deed of Trust to Joseph Bruno and recorded in Harris  
24 County Clerk's File Number H825572 from which a found 3/4 inch  
25 galvanized iron pipe bears S.87°26'22"W. 742.49 feet;

26           THENCE N.02°46'11"W. 802.69 feet along the east line of said  
27 6.8361 acre tract of land to a 3/4 inch iron rod found in the



1 southeasterly line of a 100 foot wide Beaumont-Sour Lake and  
2 Western Railroad recorded in Volume 194, Page 45 of the Harris  
3 County Deed Records;

4       THENCE N.40°03'54"E. 2619.32 feet along the southeasterly  
5 line of said Beaumont-Sour Lake and Western Railroad to a 5/8 inch  
6 iron rod with "ATKINSON 5897" cap found in the south line of Lot 81  
7 of Busch Subdivision as shown on the plat thereof recorded in Volume  
8 1A, Page 8 of the Harris County Deed Records;

9       THENCE N.87°38'02"E. 676.00 feet along a south line of said  
10 Lot 81, Lot 80 and Lot 79 to a 1 inch iron pipe found for the  
11 southeast corner of said Lot 79, Busch Subdivision;

12       THENCE N.02°01'45"W. 519.93 feet along the east line of said  
13 Lot 79, Lot 78 of said Busch Subdivision to a 5/8 inch iron rod with  
14 "ATKINSON 5897" cap set for corner in the centerline of said 80 foot  
15 wide Harris County Flood Control District Easement;

16       THENCE S.56°33'02"E. 742.88 feet along the centerline of said  
17 80 foot wide Harris County Flood Control District Easement to the  
18 PLACE OF BEGINNING.

19       SECTION 3. (a) The legal notice of the intention to  
20 introduce this Act, setting forth the general substance of this  
21 Act, has been published as provided by law, and the notice and a  
22 copy of this Act have been furnished to all persons, agencies,  
23 officials, or entities to which they are required to be furnished  
24 under Section 59, Article XVI, Texas Constitution, and Chapter 313,  
25 Government Code.

26       (b) The governor, one of the required recipients, has  
27 submitted the notice and Act to the Texas Commission on

1 Environmental Quality.

2 (c) The Texas Commission on Environmental Quality has filed  
3 its recommendations relating to this Act with the governor, the  
4 lieutenant governor, and the speaker of the house of  
5 representatives within the required time.

6 (d) All requirements of the constitution and laws of this  
7 state and the rules and procedures of the legislature with respect  
8 to the notice, introduction, and passage of this Act are fulfilled  
9 and accomplished.

10 SECTION 4. (a) If this Act does not receive a two-thirds  
11 vote of all the members elected to each house, Subchapter C, Chapter  
12 8005A, Special District Local Laws Code, as added by Section 1 of  
13 this Act, is amended by adding Section 8005A.0306 to read as  
14 follows:

15 Sec. 8005A.0306. NO EMINENT DOMAIN POWER. The district may  
16 not exercise the power of eminent domain.

17 (b) This section is not intended to be an expression of a  
18 legislative interpretation of the requirements of Section 17(c),  
19 Article I, Texas Constitution.

20 SECTION 5. This Act takes effect immediately if it receives  
21 a vote of two-thirds of all the members elected to each house, as  
22 provided by Section 39, Article III, Texas Constitution. If this  
23 Act does not receive the vote necessary for immediate effect, this  
24 Act takes effect September 1, 2023.